

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 135

Introduced by Senator Kehoe

February 1, 2005

An act to amend Section ~~61229~~ of the Government Code, 56036 of, and to repeal and add Division 3 (commencing with Section 61000) of Title 6 of, the Government Code, and to amend and renumber Section 20685.5 of, to add Section 20682.5 to, to repeal Section 20685 of, and to repeal and add Section 20682 of, the Public Contract Code, relating to community services districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 135, as amended, Kehoe. Community services districts.

~~Existing law requires that all legislative sessions of community services district boards shall be public.~~

~~This bill would specify that meetings of those boards are subject to the Ralph M. Brown Act.~~

Existing law contains provisions relating to the establishment of community services districts, including the formation of a district, the selection of a district governing board, the powers and duties of the board, and procedures for changing those powers.

This bill would repeal those provisions and enact the Community Services District Law which would specify the procedures for district formation, procedures for the selection of district governing board members, the powers and duties of the board, and the procedures for changing those powers and duties. The bill would also make other conforming changes.

This bill would specify that a violation of the Community Services District Law would be a misdemeanor. By creating a new crime, the bill would constitute a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 61229 of the Government Code is~~
2 ~~amended to read:~~
3 ~~61229. Meetings of the board are subject to the Ralph~~
4 ~~M. Brown Act (Chapter 9 (commencing with Section 54950) of~~
5 ~~Part 1 of Division 2 of Title 5).~~
6 SECTION 1. Section 56036 of the Government Code is
7 amended to read:
8 56036. (a) “District” or “special district” means an agency of
9 the state, formed pursuant to general law or special act, for the
10 local performance of governmental or proprietary functions
11 within limited boundaries. “District” or “special district” includes
12 a county service area, but excludes all of the following:
13 (1) The state.
14 (2) A county.
15 (3) A city.
16 (4) A school district or a community college district.
17 (5) A special assessment district.
18 (6) An improvement district.
19 (7) A community facilities district formed pursuant to the
20 Mello-Roos Community Facilities Act of 1982, Chapter 2.5
21 (commencing with Section 53311) of Part 1 of Division 2 of Title
22 5.
23 (8) A permanent road division formed pursuant to Article 3
24 (commencing with Section 1160) of Chapter 4 of Division 2 of
25 the Streets and Highways Code.
26 (9) An air pollution control district or an air quality
27 maintenance district.
28 (10) A zone of any of the following:
29 (A) A fire protection district.

(B) A mosquito abatement and vector control district.

(C) A public cemetery district.

(D) A recreation and park district.

(E) *A community services district.*

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a “district” or a “special district” for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a “district” or a “special district:”

(A) A unified or union high school library district.

(B) A bridge and highway district.

(C) A joint highway district.

(D) A transit or rapid transit district.

(E) A metropolitan water district.

(F) A separation of grade district.

(2) Any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a “district” or “special district” for purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a “district” or “special district” if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a “district” or “special district.”

(A) A flood control district.

(B) A flood control and floodwater conservation district.

(C) A flood control and water conservation district.

(D) A conservation district.

(E) A water conservation district.

(F) A water replenishment district.

(G) The Orange County Water District.

(H) A California water storage district.

(I) A water agency.

1 (J) A county water authority or a water authority.

2 (2) If the commission determines that an entity described in
3 paragraph (1) is not a “district” or “special district,” any
4 proceedings pursuant to Part 4 (commencing with Section 57000)
5 for a change of organization involving the entity shall be
6 conducted pursuant to the principal act authorizing the
7 establishment of that entity.

8 *SEC. 2. Division 3 (commencing with Section 61000) of Title*
9 *6 of the Government Code is repealed.*

10 *SEC. 3. Division 3 (commencing with Section 61000) is*
11 *added to Title 6 of the Government Code, to read:*

12
13 *DIVISION 3. COMMUNITY SERVICES DISTRICTS*

14
15 *PART 1. GENERAL PROVISIONS*

16
17 *CHAPTER 1. INTRODUCTORY PROVISIONS*

18
19 *61000. This division shall be known and may be cited as the*
20 *Community Services District Law.*

21 *61001. (a) The Legislature finds and declares all of the*
22 *following:*

23 *(1) The differences among California’s communities reflect*
24 *the broad diversity of the state’s population, geography, natural*
25 *resources, history, and economy.*

26 *(2) The residents and property owners in California’s diverse*
27 *communities desire public facilities and services that promote the*
28 *public peace, health, safety, and welfare.*

29 *(3) Responding to these communities’ desires, the Legislature*
30 *enacted the Community Services District Law in 1951, and*
31 *reenacted the Community Services District Law in 1955.*

32 *(4) Between 1955 and 2005, the voters in more than 300*
33 *communities have formed community services districts to achieve*
34 *local governance, provide needed public facilities, and supply*
35 *public services.*

36 *(5) Since then, the Legislature has amended the Community*
37 *Services District Law in many ways, resulting in a statute that*
38 *can be difficult for residents, property owners, and public*
39 *officials to understand and administer.*

1 (6) *There is a need to revise the Community Services District*
2 *Law to achieve statutory clarity and provide a framework for*
3 *local governance that California’s diverse communities can*
4 *adapt to their local conditions, circumstances, and resources.*

5 (7) *The enactment of this division is necessary for the public*
6 *peace, health, safety, and welfare.*

7 (b) *The Legislature finds and declares that for many*
8 *communities, community services districts may be any of the*
9 *following:*

10 (1) *A permanent form of governance that can provide locally*
11 *adequate levels of public facilities and services.*

12 (2) *An effective form of governance for combining two or more*
13 *special districts that serve overlapping or adjacent territory into*
14 *a multifunction special district.*

15 (3) *A form of governance that can serve as an alternative to*
16 *the incorporation of a new city.*

17 (4) *A transitional form of governance as the community*
18 *approaches cityhood.*

19 (c) *In enacting this division, it is the intent of the Legislature:*

20 (1) *To continue a broad statutory authority for a class of*
21 *limited-purpose special districts to provide a wide variety of*
22 *public facilities and services.*

23 (2) *To encourage local agency formation commissions to use*
24 *their municipal service reviews, spheres of influence, and*
25 *boundary powers, where feasible and appropriate, to combine*
26 *special districts that serve overlapping or adjacent territory into*
27 *multifunction community services districts.*

28 (3) *That residents, property owners, and public officials use*
29 *the powers and procedures provided by the Community Services*
30 *District Law to meet the diversity of the local conditions,*
31 *circumstances, and resources.*

32 61002. *Unless the context requires otherwise, as used in this*
33 *division, the following terms shall have the following meanings:*

34 (a) *“At large” means the election of members of the board of*
35 *directors all of whom are elected by the voters of the entire*
36 *district.*

37 (b) *“Board of directors” means the board of directors of a*
38 *district that establishes policies for the operation of the district.*

1 (c) “By divisions” means the election of each member of the
2 board of directors who are residents of the division from which
3 they are elected only by voters of the division.

4 (d) “District” means a community services district created
5 pursuant to this division or any of its statutory predecessors.

6 (e) “From divisions” means the election of members of the
7 board of directors who are residents of the division from which
8 they are elected by the voters of the entire district.

9 (f) “General manager” means the highest level management
10 employee who is directly responsible to the board of directors for
11 the implementation of the policies established by the board of
12 directors.

13 (g) “Graffiti abatement” means the power to prevent graffiti
14 on public or private property, receive reports of graffiti on public
15 or private property, provide rewards not to exceed one thousand
16 dollars (\$1,000) for information leading to the arrest and
17 conviction of persons who apply graffiti on public or private
18 property, abate graffiti as a public nuisance pursuant to Section
19 731 of the Code of Civil Procedure, remove graffiti from public
20 or private property, and use the services of persons ordered by a
21 court to remove graffiti.

22 (h) “Latent power” means those services and facilities
23 authorized by Part 3 (commencing with Section 61100) that the
24 local agency formation commission has determined, pursuant to
25 subdivision (h) of Section 56425, that a district did not provide
26 prior to January 1, 2006.

27 (i) “President” or “chair” means the presiding officer of the
28 board of directors.

29 (j) “Principal county” means the county having all or the
30 greatest portion of the entire assessed valuation, as shown on the
31 last equalized assessment roll of the county or counties, of all
32 taxable property in the district.

33 (k) “Secretary” means the secretary of the board of directors.

34 (l) “Voter” means a voter as defined by Section 359 of the
35 Elections Code.

36 (m) “Zone” means a zone formed pursuant to Chapter 5
37 (commencing with Section 61140) of Part 3.

38 61003. (a) This division provides the authority for the
39 organization and powers of community services districts. This
40 division succeeds the former Division 3 (commencing with

1 *Section 61000) as added by Chapter 1746 of the Statutes of 1955,*
2 *as subsequently amended, and any of its statutory predecessors.*

3 *(b) Any community services district organized or reorganized*
4 *pursuant to the former Division 3 or any of its statutory*
5 *predecessors which was in existence on January 1, 2006, shall*
6 *remain in existence as if it had been organized pursuant to this*
7 *division.*

8 *(c) Any improvement district of a community services district*
9 *formed pursuant to the former Chapter 5 (commencing with*
10 *Section 61710) of the former Part 5 or any of its statutory*
11 *predecessors which was in existence on January 1, 2006, shall be*
12 *deemed to be a zone as if it had been formed pursuant to Chapter*
13 *5 (commencing with Section 61140) of Part 3.*

14 *(d) Any zone of a community services district formed pursuant*
15 *to the former Chapter 2 (commencing with Section 61770) of the*
16 *former Part 6 or any of its statutory predecessors which was in*
17 *existence on January 1, 2006, shall remain in existence as if it*
18 *had been organized pursuant to this division.*

19 *(e) Any indebtedness, bond, note, certificate of participation,*
20 *contract, special tax, benefit assessment, fee, election, ordinance,*
21 *resolution, regulation, rule, or any other action of a district taken*
22 *pursuant to the former Division 3 or any of its statutory*
23 *predecessors which was taken before January 1, 2006, shall not*
24 *be voided solely because of any error, omission, informality,*
25 *misnomer, or failure to comply strictly with this division.*

26 *(f) Any approval or determination, including, but not limited*
27 *to, terms and conditions made with respect to a district by a local*
28 *agency formation commission prior to January 1, 2006, shall*
29 *remain in existence.*

30 *61004. This division shall be liberally construed to effectuate*
31 *its purposes.*

32 *61005. If any provision of this division or the application of*
33 *any provision of this division in any circumstance or to any*
34 *person, county, city, special district, school district, the state, or*
35 *any agency or subdivision of the state is held invalid, that*
36 *invalidity shall not affect other provisions or applications of this*
37 *division that can be given effect without the invalid provision or*
38 *application of the invalid provision, and to this end the*
39 *provisions of this division are severable.*

1 61006. (a) Any action to determine the validity of the
2 organization of a district shall be brought pursuant to Chapter 9
3 (commencing with Section 860) of Title 10 of Part 2 of the Code
4 of Civil Procedure.

5 (b) Any action to determine the validity of any bonds,
6 warrants, contracts, obligations, or evidences of indebtedness of
7 a district shall be brought pursuant to Chapter 9 (commencing
8 with Section 860) of Title 10 of Part 2 of the Code of Civil
9 Procedure.

10 (c) Any judicial action to compel performance of an action by
11 a district, its officers, or its directors shall be brought pursuant
12 to Section 1084 of the Code of Civil Procedure.

13 (d) Any judicial review of any administrative act taken after a
14 hearing by a district shall be brought pursuant to Section 1094.5
15 of the Code of Civil Procedure.

16 61007. (a) Territory, whether incorporated or
17 unincorporated, whether contiguous or noncontiguous, whether
18 in one or more counties, may be included in a district.

19 (b) Except as provided in this part, the
20 Cortese-Knox-Hertzberg Local Government Reorganization Act
21 of 2000, Division 3 (commencing with Section 56000) of Title 5,
22 shall govern any change of organization or reorganization of a
23 district. In the case of any conflict between that division and this
24 division, the provisions of this division shall prevail.

25 (c) A district shall be deemed an “independent special
26 district,” as defined by Section 56044, except when a county
27 board of supervisors or a city council is the board of directors.

28 61008. (a) Except as otherwise provided in this division,
29 districts are subject to the Uniform District Election Law, Part 4
30 (commencing with Section 10500) of Division 10 of the Elections
31 Code.

32 (b) A board of directors may require that the election of
33 members to the board of directors shall be held on the same day
34 as the statewide general election pursuant to Section 10404 of
35 the Elections Code.

36 (c) A district may conduct any election by all-mailed ballots
37 pursuant to Division 4 (commencing with Section 4000) of the
38 Elections Code.

39 (d) A district may hold advisory elections pursuant to Section
40 9603 of the Elections Code.

1 61009. *Whenever the boundaries of a district or a zone*
2 *change, the district shall comply with Chapter 8 (commencing*
3 *with Section 54900) of Part 1 of Division 2 of Title 5.*

4
5 CHAPTER 2. FORMATION
6

7 61010. *A new district may be formed pursuant to this chapter.*

8 61011. *(a) A proposal to form a new district may be made by*
9 *petition. The petition shall do all of the things required by*
10 *Section 56700. In addition, the petition shall do all of the*
11 *following:*

12 *(1) State which of the services listed in Section 61100 it is*
13 *proposed that the district be authorized to provide upon*
14 *formation.*

15 *(2) Set forth the proposed methods, including, but not limited*
16 *to, special taxes, benefit assessments, and fees, by which the*
17 *district will finance those services.*

18 *(3) Propose a name for the district.*

19 *(4) Specify the method of selecting the initial board of*
20 *directors, as provided in Chapter 1 (commencing with Section*
21 *61020) of Part 2.*

22 *(b) The petitions, the proponents, and the procedures for*
23 *certifying the sufficiency of the petitions shall comply with*
24 *Chapter 2 (commencing with Section 56700) of Part 3 of*
25 *Division 5. In the case of any conflict between that chapter and*
26 *this chapter, the provisions of this chapter shall prevail.*

27 *(c) The petition shall be signed by not less than 25 percent of*
28 *the registered voters residing in the area to be included in the*
29 *district, as determined by the local agency formation*
30 *commission.*

31 61012. *(a) Before circulating any petition, the proponents*
32 *shall publish a notice of intention which shall include a written*
33 *statement not to exceed 500 words in length, setting forth the*
34 *reasons for forming the district, the proposed services that the*
35 *district will provide, and the proposed methods by which the*
36 *district will be financed. The notice shall be published pursuant*
37 *to Section 6061 in one or more newspapers of general*
38 *circulation within the territory proposed to be included in the*
39 *district. If the territory proposed to be included in the district is*
40 *located in more than one county, publication of the notice shall*

1 *be made in at least one newspaper of general circulation in each*
2 *of the counties.*

3 *(b) The notice shall be signed by one or more of the*
4 *proponents, and shall be in substantially the following form:*

5 *“Notice of Intent to Circulate Petition*

6 *“Notice is hereby given of the intention to circulate a petition*
7 *proposing to form the _____ [name of the district].*

8 *The reasons for forming the proposed district are:*

9 *_____. The proposed service(s) that the district*
10 *will provide are: _____. The proposed method(s) by*

11 *which the district will finance those services are:*

12 *_____.”*

13 *(c) Within five days after the date of publication, the*
14 *proponents shall file with the executive officer of the local*
15 *agency formation commission of the principal county a copy of*
16 *the notice together with an affidavit made by a representative of*
17 *the newspaper or newspapers in which the notice was published*
18 *certifying to the fact of the publication.*

19 *(d) After the filing required by subdivision (c), the petition*
20 *may be circulated for signatures.*

21 *61013. (a) A proposal to form a new district may also be*
22 *made by the adoption of a resolution of application by the*
23 *legislative body of any county, city, or special district that*
24 *contains any of the territory proposed to be included in the*
25 *district. Except for the provisions regarding the signers, the*
26 *signatures, and the proponents, a resolution of application shall*
27 *contain all of the matters specified for a petition in Section*
28 *61011.*

29 *(b) Before adopting a resolution of application, the legislative*
30 *body shall hold a public hearing on the resolution. Notice of the*
31 *hearing shall be published pursuant to Section 6061 in one or*
32 *more newspapers of general circulation within the county, city,*
33 *or special district. At least 20 days before the hearing, the*
34 *legislative body shall give mailed notice of its hearing to the*
35 *executive office of the local agency formation commission of the*
36 *principal county. The notice shall generally describe the*
37 *proposed formation of the district and the territory proposed to*
38 *be included in the district.*

(c) The clerk of the legislative body shall file a certified copy of the resolution of application with the executive officer of the local agency formation commission of the principal county.

61014. (a) Once the proponents have filed a sufficient petition or a legislative body has filed a resolution of application, the local agency formation commission shall proceed pursuant to Part 3 (commencing with Section 56650) and Part 4 (commencing with Section 57000) of Division 3 of Title 5.

(b) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a district unless the commission determines that the proposed district will have sufficient revenues to carry out its purposes.

(c) Notwithstanding subdivision (b), a local agency formation commission may approve a proposal that includes the formation of a district where the commission has determined that the proposed district will not have sufficient revenue provided that the commission conditions its approval on the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues. In approving the proposal, the commission shall provide that, if the voters or property owners do not approve the special taxes or benefit assessments, the proposed district shall not be formed.

PART 2. INTERNAL ORGANIZATION

CHAPTER 1. INITIAL BOARD OF DIRECTORS

61020. The initial board of directors of a district formed on or after January 1, 2006, shall be determined pursuant to this chapter.

61021. (a) Except as provided in this chapter, the initial board of directors shall be elected.

(b) The directors may be elected by one of the following methods:

(1) At large.

(2) By divisions.

(3) From divisions.

1 (c) *The elections and terms of office shall be determined*
2 *pursuant to the Uniform District Election Law, Part 4*
3 *(commencing with Section 10500) of the Elections Code.*

4 61022. (a) *In the case of a proposed district which contains*
5 *only unincorporated territory in a single county and less than*
6 *100 voters, the local agency formation commission may provide*
7 *as a term and condition of approving the formation of the*
8 *district, that the county board of supervisors shall be the initial*
9 *board of directors until conversion to a directly elected board of*
10 *directors.*

11 (b) *The board of supervisors shall adopt a resolution pursuant*
12 *to subdivision (c) of Section 61027, placing the question of*
13 *having an elected board of directors on the ballot when any of*
14 *the following occurs:*

15 (1) *When the registrar of voters certifies in writing that the*
16 *number of voters in the district has reached or exceeded 500.*

17 (2) *When the registrar of voters certifies in writing that the*
18 *number of voters in the district has reached or exceeded a lower*
19 *number specified by the local agency formation commission as a*
20 *term and condition of approving the formation of the district.*

21 (3) *Ten years after the effective date of the district's*
22 *formation.*

23 (4) *The local agency formation commission has required, as a*
24 *term and condition of approving the formation of the district,*
25 *placing the question of having an elected board of directors on*
26 *the ballot in less than 10 years after the effective date of the*
27 *district's formation.*

28 (c) *At the election, the voters shall also elect members to the*
29 *district's board of directors. Those persons shall take office only*
30 *if a majority of the voters voting upon the question of having an*
31 *elected board are in favor of the question.*

32 (d) *If the question is submitted to the voters at a general*
33 *district election, the notice required by Section 12112 of the*
34 *Elections Code shall contain a statement of the question to*
35 *appear on the ballot. If the question is submitted to the voters at*
36 *a special election, the notice of election and ballot shall contain*
37 *a statement of the question.*

CHAPTER 2. REORGANIZING THE BOARD OF DIRECTORS

61025. (a) If a majority of the voters voting upon the question are in favor of the question at a general district or special election, a board of directors may be elected by one of the following methods:

(1) At large.

(2) By divisions.

(3) From divisions.

(b) The board of directors may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the board of directors shall adopt a resolution placing the question on the ballot.

(c) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(d) If the majority of voters voting upon the question approves of the election of directors either by divisions or from divisions, the board of directors shall promptly adopt a resolution dividing the district into five divisions. The resolution shall assign a number to each division. Using the last decennial census as a basis, the divisions shall be as nearly equal in population as possible. In establishing the boundaries of the divisions, the board of directors may give consideration to the following factors:

(1) Topography.

(2) Geography.

(3) Cohesiveness, contiguity, integrity, and compactness of territory.

(4) Community of interests of the divisions.

(e) If the majority of voters voting upon the question approves of the election of directors either by divisions or from divisions, then at the next election, the members of the board of directors shall be so elected. Each member elected by division or from division shall be a resident of the election division by which or from which he or she is elected. At the district general election,

1 following the approval by the voters of the election of directors
2 either by divisions or from divisions, the board of directors shall
3 assign vacancies on the board of directors created by the
4 expiration of terms to the respective divisions and the vacancies
5 shall be filled either by or from those divisions.

6 (f) If the majority of voters voting on the question approves of
7 the election of directors at large, the board of directors shall
8 promptly adopt a resolution dissolving the divisions which had
9 existed.

10 61026. In the case of a board of directors elected by divisions
11 or from divisions, the board of directors shall adjust the
12 boundaries of the divisions before November 1 of the year
13 following the year in which each decennial census is taken. If at
14 any time between each decennial census, a change of
15 organization or reorganization alters the population of the
16 district, the board of directors shall reexamine the boundaries of
17 its divisions. If the board of directors finds that the population of
18 any division has varied so that the divisions no longer meet the
19 criteria specified in subdivision (d) of Section 61025, the board
20 of directors shall adjust the boundaries of the divisions so that
21 the divisions shall be as nearly equal in population as possible.
22 The board of directors shall make this change within 60 days of
23 the effective date of the change of organization or
24 reorganization.

25 61027. (a) This section applies only to a district where the
26 board of supervisors is the district's board of directors and more
27 than five years have passed since the effective date of the
28 district's formation.

29 (b) Upon receipt of a petition signed by at least 10 percent of
30 the voters of the district, the board of directors shall adopt a
31 resolution placing the question on the ballot. Alternatively, the
32 board of directors may adopt a resolution placing the question
33 on the ballot. The petition or resolution shall specify whether the
34 board of directors will be elected at large, by divisions, or from
35 divisions.

36 (c) If a majority of the voters voting upon the question at a
37 general election or special election are in favor, the district shall
38 have an elected board of directors.

39 (d) At the election, the voters shall also elect members to the
40 district's board of directors. Those persons shall take office only

1 *if a majority of the voters voting upon the question of having an*
2 *elected board of directors are in favor of the question.*

3 *(e) If the question is submitted to the voters at a general*
4 *district election, the notice required by Section 12112 of the*
5 *Elections Code shall contain a statement of the question to*
6 *appear on the ballot. If the question is submitted to the voters at*
7 *a special election, the notice of election and ballot shall contain*
8 *a statement of the question.*

9 *61028. (a) Before circulating any petition pursuant to*
10 *Section 61025 or Section 61027, the proponents shall publish a*
11 *notice of intention, which shall include a written statement not to*
12 *exceed 500 words in length, setting forth the reasons for the*
13 *proposal. The notice shall be published pursuant to Section 6061*
14 *in one or more newspapers of general circulation within the*
15 *district. If the district is located in more than one county,*
16 *publication of the notice shall be made in at least one newspaper*
17 *of general circulation in each county.*

18 *(b) The notice shall be signed by at least one, but not more*
19 *than three, proponents and shall be in substantially the following*
20 *form:*

21 *“Notice of Intent to Circulate Petition*

22 *“Notice is hereby given of the intention to circulate a petition*
23 *affecting the Board of Directors of the _____ (name of the*
24 *district). The petition proposes that _____*
25 *(description of the proposal).”*

26 *(c) Within five days after the date of publication, the*
27 *proponents shall file with the secretary of the board of directors*
28 *a copy of the notice together with an affidavit made by a*
29 *representative of the newspaper in which the notice was*
30 *published certifying to the fact of publication.*

31 *(d) After the filing required by subdivision (c), the petition*
32 *may be circulated for signatures.*

33 *(e) Sections 100 and 104 of the Elections Code shall govern*
34 *the signing of the petition and the format of the petition.*

35 *(f) A petition may consist of a single instrument or separate*
36 *counterparts. The proponents shall file the petition, together with*
37 *all counterparts, with the secretary of the board of directors. The*
38 *secretary shall not accept a petition for filing unless the*
39 *signatures have been secured within six months of the date on*
40 *which the first signature was obtained and the proponents*

1 submitted the petition to the secretary for filing within 60 days
2 after the last signature was obtained.

3 (g) Within 30 days after the date of filing a petition, the
4 secretary of the board of directors shall cause the petition to be
5 examined by the county elections official, in accordance with
6 Sections 9113 to 9115, inclusive, of the Elections Code, and shall
7 prepare a certificate of sufficiency indicating whether the
8 petition is signed by the requisite number of signers.

9 (h) If the certificate of the secretary shows the petition to be
10 insufficient, the secretary shall immediately give notice, by
11 certified mail, of the insufficiency to the proponents. That mailed
12 notice shall state in what amount the petition is insufficient.
13 Within 15 days after the date of the notice of insufficiency, the
14 proponents may file with the secretary a supplemental petition
15 bearing additional signatures.

16 (i) Within 10 days after the date of filing a supplemental
17 petition, the secretary shall cause the supplemental petition to be
18 examined by the county election officials.

19 (j) The secretary shall sign and date a certificate of
20 sufficiency. That certificate shall also state the minimum
21 signature requirements for a sufficient petition and show the
22 results of the secretary's examination. The secretary shall mail a
23 copy of the certificate of sufficiency to the proponents.

24 (k) Once the proponents have filed a sufficient petition, the
25 board of directors shall take the actions required pursuant to
26 Section 61025 or Section 61027.

27 61029. (a) Notwithstanding any other provision of this
28 chapter, the Board of Supervisors of San Joaquin County shall be
29 the Board of Directors of the Mountain House Community
30 Services District, until conversion to a directly elected board of
31 directors.

32 (b) When the registrar of voters certifies in writing that the
33 number of voters in the district has reached or exceeded 1,000,
34 the Board of Supervisors of San Joaquin County shall adopt a
35 resolution placing the question of having an elected board of
36 directors on the ballot. The resolution shall specify whether the
37 board of directors will be elected at large, by divisions, or from
38 divisions.

39 (c) If the question is submitted to the voters at a general
40 district election, the notice required by Section 12112 of the

1 *Elections Code shall contain a statement of the question to*
2 *appear on the ballot. If the question is submitted to the voters at*
3 *a special election, the notice of election and ballot shall contain*
4 *a statement of the question.*

5 *(d) If a majority of voters voting upon the question approves of*
6 *electing the board of directors, the members of the board of*
7 *directors shall be elected at the next general district election.*

8 *61030. (a) Notwithstanding any other provision of this part,*
9 *the local agency formation commission, in approving either a*
10 *consolidation or reorganization of two or more special districts*
11 *into a single community services district, may, pursuant to*
12 *subdivisions (k) and (n) of Section 56844, temporarily increase*
13 *the number of members to serve on the board of directors of the*
14 *consolidated or reorganized district to 7, 9, or 11, who shall be*
15 *members of the boards of directors of the districts to be*
16 *consolidated or reorganized as of the effective date of the*
17 *consolidation or reorganization.*

18 *(b) Upon the expiration of the terms of the members of the*
19 *board of directors of the consolidated or reorganized district*
20 *whose terms first expire following the effective date of the*
21 *consolidation or reorganization, the total number of members on*
22 *the board of directors shall be reduced until the number of*
23 *members equals five.*

24 *(c) In addition to the powers granted under Section 1780, in*
25 *the event of a vacancy on the board of directors of the*
26 *consolidated or reorganized district at which time the total*
27 *number of members of the board of directors is greater than five,*
28 *the board of directors may, by majority vote of the remaining*
29 *members of the board, choose not to fill the vacancy. In that*
30 *event, the total membership of the board of directors shall be*
31 *reduced by one member. Upon making the determination not to*
32 *fill a vacancy, the board of directors shall notify the board of*
33 *supervisors of its decision.*

34 *(d) This section applies only to a consolidation or*
35 *reorganization in which each subject agency was an independent*
36 *special district prior to the initiation of the consolidation or*
37 *reorganization.*

38 *(e) As used in this section, "consolidation" means a*
39 *consolidation as defined by Section 56030, "special district"*
40 *means a special district as defined by Section 56036,*

1 “independent special district” means an independent special
2 district as defined by Section 56044, and “reorganization”
3 means a reorganization as defined by Section 56073.

4
5 CHAPTER 3. BOARD OF DIRECTORS
6

7 61040. (a) A legislative body of five members known as the
8 board of directors shall govern each district. The board of
9 directors shall establish policies for the operation of the district.
10 The board of directors shall provide for the implementation of
11 those policies which is the responsibility of the district’s general
12 manager.

13 (b) No person shall be a candidate for the board of directors
14 unless he or she is a voter of the district or the proposed district.
15 No person shall be a candidate for the board of directors that is
16 elected by divisions or from divisions unless he or she is a voter
17 of that division or proposed division.

18 (c) All members of the board of directors shall exercise their
19 independent judgment on behalf of the interests of the entire
20 district, including the residents, property owners, and the public
21 as a whole in furthering the purposes and intent of this division.
22 Where the members of the board of directors have been elected
23 by divisions or from divisions, they shall represent the interests
24 of the entire district and not solely the interests of the residents
25 and property owners in their divisions.

26 (d) Service on a municipal advisory council established
27 pursuant to Section 31010 or service on an area planning
28 commission established pursuant to Section 65101 shall not be
29 considered an incompatible office with service as a member of a
30 board of directors.

31 (e) A member of the board of directors shall not be the general
32 manager, the district treasurer, or any other compensated
33 employee of the district.

34 61041. Notwithstanding subdivision (a) of Section 65040, this
35 section applies only to those districts that on December 31, 2005,
36 had boards of directors that consisted of three members. Those
37 districts shall continue to have boards of directors that consist of
38 three members until the next general district election after
39 January 1, 2006, after which date those districts shall have
40 boards of directors that consist of five members. At that election,

1 *the voters shall fill the two vacancies on the board of directors.*
2 *Those two members of the board of directors shall serve for the*
3 *terms of office determined pursuant to Section 10506 of the*
4 *Elections Code.*

5 *61042. (a) The term of office of each member of a board of*
6 *directors is four years or until his or her successor qualifies and*
7 *takes office. Directors shall take office at noon on the first Friday*
8 *in December following their election.*

9 *(b) For districts formed before January 1, 2006, where the*
10 *members of the board of directors are not serving staggered*
11 *terms, at the first meeting after January 1, 2006, the members*
12 *shall classify themselves by lot into two classes. One class shall*
13 *have three members and the other class shall have two members.*
14 *For the class that has three members, the terms of the offices that*
15 *begin after the next general district election shall be four years.*
16 *For the class that has two members, the initial terms of the*
17 *offices that begin after the next general district election shall be*
18 *two years. Thereafter, the terms of all members shall be four*
19 *years.*

20 *(c) Any vacancy in the office of a member elected to a board of*
21 *directors shall be filled pursuant to Section 1780.*

22 *61043. (a) Within 45 days after the effective date of the*
23 *formation of a district, the board of directors shall meet and elect*
24 *its officers. Thereafter, within 45 days after each general district*
25 *or unopposed election, the board of directors shall meet and*
26 *elect the officers of the board of directors. A board of directors*
27 *may elect the officers of the board of directors annually.*

28 *(b) The officers of a board of directors are a president and a*
29 *vice president. The president shall preside over meetings of the*
30 *board of directors and the vice president shall serve in the*
31 *president's absence or inability to serve.*

32 *(c) A board of directors may create additional offices and*
33 *elect members to those offices, provided that no member of a*
34 *board of directors shall hold more than one office.*

35 *61044. A board of directors shall hold a regular meeting at*
36 *least once every three months. Meetings of the board of directors*
37 *are subject to the Ralph M. Brown Act, Chapter 9 (commencing*
38 *with Section 54950) of Part 1 of Division 2 of Title 5.*

1 61045. (a) *A majority of the total membership of the board of*
2 *directors shall constitute a quorum for the transaction of*
3 *business.*

4 (b) *The board of directors shall act only by ordinance,*
5 *resolution, or motion.*

6 (c) *Except as otherwise specifically provided by law, a*
7 *majority vote of the total membership of the board of directors is*
8 *required for the board of directors to take action.*

9 (d) *The minutes of the board of directors shall record the aye*
10 *and no votes taken by the members of the board of directors for*
11 *the passage of all ordinances, resolutions, or motions.*

12 (e) *The board of directors shall keep a record of all its*
13 *actions, including financial transactions.*

14 (f) *The board of directors shall adopt rules or bylaws for its*
15 *proceedings.*

16 (g) *The board of directors shall adopt policies for the*
17 *operation of the district, including, but not limited to,*
18 *administrative policies, fiscal policies, personnel policies, and*
19 *the purchasing policies required by this division.*

20 61046. (a) *Ordinances may be passed by the voters by*
21 *initiative pursuant to Article 1 (commencing with Section 9300)*
22 *of Chapter 4 of Division 9 of the Elections Code.*

23 (b) *Legislative acts may be disapproved by the voters by*
24 *referendum pursuant to Article 2 (commencing with Section*
25 *9340) of Chapter 4 of Division 9 of the Elections Code.*

26 (c) *Members of the board of directors may be recalled by the*
27 *voters pursuant to Chapter 1 (commencing with Section 11000)*
28 *of Division 11 of the Elections Code.*

29 61047. (a) *The board of directors may provide, by ordinance*
30 *or resolution, that each of its members may receive*
31 *compensation in an amount not to exceed one hundred dollars*
32 *(\$100) for attending each day of service. A member of the board*
33 *of directors shall not receive compensation for more than six*
34 *days of service in a month.*

35 (b) *The board of directors, by ordinance adopted pursuant to*
36 *Chapter 2 (commencing with Section 20200) of Division 10 of*
37 *the Water Code, may increase the amount of compensation*
38 *received for each day of service.*

39 (c) *The board of directors may provide, by ordinance or*
40 *resolution, that its members may receive their actual and*

1 *necessary traveling and incidental expenses incurred while on*
2 *official business. The ordinance or resolution shall include*
3 *written policies for reimbursable activities and recordkeeping.*

4 *(d) A member of the board of directors may waive any or all of*
5 *the payments permitted by this section.*

6 *(e) For the purposes of this section, a “day of service” means*
7 *any of the following:*

8 *(1) A meeting conducted pursuant to the Ralph M. Brown Act,*
9 *Chapter 9 (commencing with Section 54950) of Part 1 of*
10 *Division 2 of Title 5.*

11 *(2) Representation of the district at a public event, provided*
12 *that the board of directors has previously approved the member’s*
13 *representation at a board of directors’ meeting and that the*
14 *member delivers a written report to the board of directors*
15 *regarding the member’s representation at the next board of*
16 *directors’ meeting following the public event.*

17 *(3) Representation of the district at a public meeting or a*
18 *public hearing conducted by another public agency, provided*
19 *that the board of directors has previously approved the member’s*
20 *representation at a board of directors’ meeting and that the*
21 *member delivers a written report to the board of directors*
22 *regarding the member’s representation at the next board of*
23 *directors’ meeting following the public meeting or public*
24 *hearing.*

25 *(4) Representation of the district at a meeting of a public*
26 *benefit nonprofit corporation on whose board the district has*
27 *membership if the board of directors has previously approved the*
28 *member’s representation at a board of directors’ meeting and the*
29 *member delivers a written report to the board of directors*
30 *regarding the member’s representation at the next board of*
31 *directors’ meeting following the corporation’s meeting.*

32 *(5) Participation in a training program on a topic that is*
33 *directly related to the district, that the board of directors has*
34 *previously approved the member’s participation at a board of*
35 *directors’ meeting, and that the member delivers a written report*
36 *to the board of directors regarding the member’s participation at*
37 *the next board of directors’ meeting following the training*
38 *program.*

1 61048. *A board of directors may appoint one or more*
2 *advisory committees to advise the board of directors about the*
3 *district's finances, policies, programs, and operations.*

4
5 CHAPTER 4. DISTRICT OFFICERS

6
7 61050. (a) *The board of directors shall appoint a general*
8 *manager.*

9 (b) *The county treasurer of the principal county shall serve as*
10 *the treasurer of the district. If the board of directors designates*
11 *an alternative depository pursuant to Section 61053, the board of*
12 *directors shall appoint a district treasurer who shall serve in*
13 *place of the county treasurer.*

14 (c) *The board of directors may appoint the same person to be*
15 *the general manager and the district treasurer.*

16 (d) *The general manager and the district treasurer, if any,*
17 *shall serve at the pleasure of the board of directors.*

18 (e) *The board of directors shall set the compensation, if any,*
19 *for the general manager and the district treasurer, if any.*

20 (f) *The board of directors may require the general manager to*
21 *be bonded. The board of directors shall require the district*
22 *treasurer, if any, to be bonded. The district shall pay the cost of*
23 *the bonds.*

24 61051. *The general manager shall be responsible for all of*
25 *the following:*

26 (a) *The implementation of the policies established by the*
27 *board of directors for the operation of the district.*

28 (b) *The appointment, supervision, discipline, and dismissal of*
29 *the district's employees, consistent with the employee relations*
30 *system established by the board of directors.*

31 (c) *The supervision of the district's facilities and services.*

32 (d) *The supervision of the district's finances.*

33 61052. (a) *Except as provided by Section 61053, the county*
34 *treasurer of the principal county shall be treasurer of the district*
35 *and shall be the depository and have the custody of all of the*
36 *district's money.*

37 (b) *All claims against a district shall be audited, allowed, and*
38 *paid by the board of directors by warrants drawn on the county*
39 *treasurer.*

1 (c) *As an alternative to subdivision (b), the board of directors*
2 *may instruct the county treasurer to audit, allow, and draw his or*
3 *her warrant on the county treasury for all legal claims presented*
4 *to him or her and authorized by the board of directors.*

5 (d) *The county treasurer shall pay the warrants in the order in*
6 *which they are presented.*

7 (e) *If a warrant is presented for payment and the county*
8 *treasurer cannot pay it for want of funds in the account on which*
9 *it is drawn, the treasurer shall endorse the warrant, "NOT PAID*
10 *BECAUSE OF INSUFFICIENT FUNDS" and sign his or her*
11 *name and the date and time the warrant was presented. From*
12 *that time until it is paid, the warrant bears interest at the*
13 *maximum rate permitted pursuant to Article 7 (commencing with*
14 *Section 53530) of Chapter 3 of Part 1 of Division 2.*

15 61053. (a) *Notwithstanding Section 61052, a district may*
16 *establish an alternative depository pursuant to this section.*

17 (b) *The board of directors shall appoint a district treasurer*
18 *who shall serve in the place of the county treasurer.*

19 (c) *The board of directors shall adopt a resolution that does*
20 *each of the following:*

21 (1) *State its intention to withdraw its money from the county*
22 *treasury.*

23 (2) *Fix the amount of the bond for the district treasurer and*
24 *other district employees who will be responsible for handling the*
25 *district's finances. The district shall pay the cost of the bonds.*

26 (3) *Adopt a system of accounting and auditing that shall*
27 *completely and at all times show the district's financial*
28 *condition. The system of accounting and auditing shall adhere to*
29 *generally accepted accounting principles.*

30 (4) *Adopt a procedure for drawing and signing checks,*
31 *provided that the procedure adheres to generally accepted*
32 *accounting principles. The procedure shall provide that bond*
33 *principal and salaries shall be paid when due. The procedure*
34 *may provide that checks to pay claims and demands need not be*
35 *approved by the board of directors before payment if the district*
36 *treasurer determines that the claims and demands conform to the*
37 *district's approved budget.*

38 (5) *Designate a bank, a savings and loan association, or a*
39 *credit union as the depository of the district's money. A bank,*
40 *savings and loan association, or credit union may act as a*

1 *depository, paying agent, or fiscal agency for the holding or*
2 *handling of the district's money, notwithstanding the fact that a*
3 *member of the board of directors, whose funds are on deposit in*
4 *that bank or savings and loan association is an officer, employee,*
5 *or stockholder of that bank or savings and loan association, or of*
6 *a holding company that owns any of the stock of that bank or*
7 *savings and loan association.*

8 *(d) The board of directors and the board of supervisors of the*
9 *principal county shall determine a mutually acceptable date for*
10 *the withdrawal of the district's money from the county treasury,*
11 *not to exceed 15 months from the date on which the board of*
12 *directors adopts its resolution.*

13 *(e) In implementing this section, the district shall comply with*
14 *Article 1 (commencing with Section 53600) and Article 2*
15 *(commencing with Section 53630) of Chapter 4 of Part 1 of*
16 *Division 2 of Title 5. Nothing in this section shall preclude the*
17 *district treasurer from depositing the district's money in the*
18 *county treasury of the principal county or the State Treasury*
19 *pursuant to Article 11 (commencing with Section 16429.1) of*
20 *Chapter 2 of Part 2 of Division 4 of Title 2.*

21 *(f) The district treasurer shall make quarterly or more*
22 *frequent written reports to the board of directors, as the board of*
23 *directors shall determine, regarding the receipts and*
24 *disbursements and balances in the accounts controlled by the*
25 *district treasurer. The district treasurer shall sign the reports*
26 *and file them with the general manager.*

27 28 CHAPTER 5. GENERAL POWERS 29

30 *61060. A district shall have and may exercise all rights and*
31 *powers, expressed and implied, necessary to carry out the*
32 *purposes and intent of this division, including, but not limited to,*
33 *the following powers:*

34 *(a) To adopt ordinances following the procedures of Article 7*
35 *(commencing with Section 25120) of Chapter 1 of Part 2 of*
36 *Division 2 of Title 3.*

37 *(b) To adopt, by ordinance, and enforce rules and regulations*
38 *for the administration, operation, and use and maintenance of*
39 *the facilities and services listed in Part 3 (commencing with*
40 *Section 61100).*

1 (c) *To sue and be sued in its own name.*

2 (d) *To acquire any real or personal property within or outside*
3 *the district, by contract or otherwise, to hold, manage, occupy,*
4 *dispose of, convey, and encumber the property, and to create a*
5 *leasehold interest in the property for the benefit of the district.*

6 (e) *To acquire by eminent domain any real or personal*
7 *property within or outside the district. If a district acquires real*
8 *or personal property of a public utility by eminent domain, the*
9 *district shall also pay for the cost of the removal, reconstruction,*
10 *or relocation of any structure, railways, mains, pipes, conduits,*
11 *wires, cables, or poles that must be moved to a new location.*

12 (f) *To appoint employees, to define their qualifications and*
13 *duties, and to provide a schedule of compensation for*
14 *performance of their duties.*

15 (g) *To engage counsel and other professional services.*

16 (h) *To enter into and perform all contracts, including, but not*
17 *limited to, contracts pursuant to Article 43 (commencing with*
18 *Section 20680) of Chapter 1 of Part 3 of the Public Contract*
19 *Code.*

20 (i) *To adopt a seal and alter it.*

21 (j) *To enter joint powers agreements pursuant to the Joint*
22 *Exercise of Powers Act, Chapter 5 (commencing with Section*
23 *6500) of Division 7 of Title 1.*

24 (k) *To provide insurance pursuant to Part 6 (commencing with*
25 *Section 989) of Division 3.6 of Title 1.*

26 (l) *To provide training that will assist the members of the*
27 *board of directors in the governance of the district.*

28 (m) *To construct any works along, under, or across any street,*
29 *road, or highway, subject to the consent of the governing body in*
30 *charge, and along, under, or across any other property devoted*
31 *to a public use.*

32 (n) *To take any and all actions necessary for, or incidental to,*
33 *the powers expressed or implied by this division.*

34 61061. (a) *A district shall have perpetual succession.*

35 (b) *A board of directors may, by resolution, change the name*
36 *of the district. The resolution shall comply with the requirements*
37 *of Chapter 23 (commencing with Section 7530) of Division 7 of*
38 *Title 1. Notwithstanding Section 7530, any district formed on and*
39 *after January 1, 2006, and any district that changes its name on*
40 *or after January 1, 2006, shall have the words “community*

1 *services district” within its name. Within 10 days of its adoption,*
2 *the board of directors shall file a copy of its resolution with the*
3 *Secretary of State, the county clerk, the board of supervisors, and*
4 *the local agency formation commission of each county in which*
5 *the district is located.*

6 *(c) A district may destroy a record pursuant to Chapter 7*
7 *(commencing with Section 60200) of Division 1.*

8 *61062. (a) When acquiring, improving, or using any real*
9 *property, a district shall comply with Article 5 (commencing with*
10 *Section 53090) of Chapter 1 of Part 1 of Division 2 of Title 5,*
11 *and Article 7 (commencing with Section 65400) of Chapter 1 of*
12 *Division 1 of Title 7.*

13 *(b) When disposing of surplus land, a district shall comply*
14 *with Article 7 (commencing with Section 54220) of Chapter 5 of*
15 *Part 1 of Division 2 of Title 5.*

16 *61063. (a) Each district shall adopt policies and procedures,*
17 *including bidding regulations, governing the purchasing of*
18 *supplies and equipment not governed by Article 43 (commencing*
19 *with Section 20680) of Chapter 1 of Part 3 of the Public Contract*
20 *Code. Each district shall adopt these policies and procedures by*
21 *rule or regulation pursuant to Article 7 (commencing with*
22 *Section 54201) of Chapter 5 of Division 2 of Title 5.*

23 *(b) A district may request the State Department of General*
24 *Services to make purchases of materials, equipment, or supplies*
25 *on its behalf pursuant to Section 10298 of the Public Contract*
26 *Code.*

27 *(c) A district may request the purchasing agent of the*
28 *principal county to make purchases of materials, equipment, or*
29 *supplies on its behalf pursuant to Article 7 (commencing with*
30 *Section 25500) of Chapter 5 of Division 2 of Title 3.*

31 *(d) A district may request the purchasing agent of the*
32 *principal county to contract with persons to provide projects,*
33 *services, and programs authorized by this division pursuant to*
34 *Article 7 (commencing with Section 25500) of Chapter 5 of*
35 *Division 2 of Title 3.*

36 *61064. (a) Violation of any rule, regulation, or ordinance*
37 *adopted by a board of directors is a misdemeanor punishable*
38 *pursuant to Section 19 of the Penal Code.*

39 *(b) Any citation issued by a district for violation of a rule,*
40 *regulation, or ordinance adopted by a board of directors may be*

1 *processed as an infraction pursuant to subdivision (d) of Section*
2 *17 of the Penal Code.*

3 *(c) To protect property and to preserve the peace at facilities*
4 *owned or managed by a district, a board of directors may confer*
5 *on designated uniformed district employees the power to issue*
6 *citations for misdemeanor and infraction violations of state law,*
7 *city or county ordinances, or district rules, regulations, or*
8 *ordinances when the violation is committed within a facility and*
9 *in the presence of the employee issuing the citation. District*
10 *employees shall issue citations pursuant to Chapter 5C*
11 *(commencing with Section 853.5) of Title 3 of Part 2 of the Penal*
12 *Code.*

13 *61065. (a) The Meyers-Milias-Brown Act, Chapter 10*
14 *(commencing with Section 3500) of Division 4 of Title 1 applies*
15 *to all districts.*

16 *(b) A board of directors may establish an employee relations*
17 *system that may include, but is not limited to, a civil service*
18 *system or a merit system.*

19 *61066. A board of directors may require any employee or*
20 *officer to be bonded. The district shall pay the cost of the bonds.*

21 *61067. A board of directors may provide for any program for*
22 *the benefit of its employees and members of the board of*
23 *directors pursuant to Chapter 2 (commencing with Section*
24 *53200) of Part 1 of Division 2 of Title 5.*

25 *61068. A board of directors may authorize its members and*
26 *the employees of the district to attend professional or vocational*
27 *meetings and conferences. A board of directors may reimburse*
28 *its members and the employees of the district for their*
29 *documented, actual, and necessary traveling and incidental*
30 *expenses while on official business.*

31 *61069. (a) A district may request an inspection warrant*
32 *pursuant to Title 13 (commencing with Section 1822.50) of Part*
33 *3 of the Code of Civil Procedure. The warrant shall state the*
34 *location which it covers and shall state its purposes. A warrant*
35 *may authorize district employees to enter property only to do one*
36 *or more of the following:*

37 *(1) Inspect to determine the presence of public nuisances that*
38 *the district has the authority to abate.*

39 *(2) Abate public nuisances, either directly or by giving notice*
40 *to the property owner to abate the public nuisance.*

1 (3) Determine if a notice to abate a public nuisance has been
2 complied with.

3 (b) Where there is no reasonable expectation of privacy and
4 subject to the limitations of the United States Constitution and
5 the California Constitution, employees of a district may enter any
6 property within the district for any of the following purposes:

7 (1) Inspect the property to determine the presence of public
8 nuisances that the district has the authority to abate.

9 (2) Abate public nuisances, either directly or by giving notice
10 to the property owner to abate the public nuisance.

11 (3) Determine if a notice to abate a public nuisance has been
12 complied with.

13 61070. A district may contract with any local agency, state
14 department or agency, federal department or agency, or any
15 tribal government for the provision of any facilities, services, or
16 programs authorized by this division, within or without the
17 district, subject to compliance with Section 56133.

18 19 PART 3. PURPOSES, SERVICES, AND FACILITIES

20 21 CHAPTER 1. AUTHORIZED SERVICES AND FACILITIES

22
23 61100. Within its boundaries, a district may do any of the
24 following:

25 (a) Supply water for any beneficial uses, in the same manner
26 as a municipal water district, formed pursuant to the Municipal
27 Water District Law of 1911, Division 20 (commencing with
28 Section 71000) of the Water Code.

29 (b) Collect, treat, or dispose of sewage, waste water, recycled
30 water, and storm water, in the same manner as a sanitary
31 district, formed pursuant to the Sanitary District Act of 1923,
32 Division 6 (commencing with Section 6400) of the Health and
33 Safety Code.

34 (c) Collect, transfer, and dispose of solid waste, and provide
35 solid waste handling services, including, but not limited to,
36 source reduction, recycling, composting activities, pursuant to
37 Division 30 (commencing with Section 40000), and consistent
38 with Section 41821.2 of the Public Resources Code.

39 (d) Provide fire protection services, rescue services,
40 hazardous material emergency response services, and ambulance

1 *services in the same manner as a fire protection district, formed*
2 *pursuant to the Fire Protection District Law, Part 2.7*
3 *(commencing with Section 13800) of Division 12 of the Health*
4 *and Safety Code.*

5 *(e) Acquire, construct, improve, maintain, and operate*
6 *recreation facilities, including, but not limited to, parks and open*
7 *space, in the same manner as a recreation and park district*
8 *formed pursuant to the Recreation and Park District Law,*
9 *Chapter 4 (commencing with Section 5780) of Division 5 of the*
10 *Public Resources Code.*

11 *(f) Organize, promote, conduct, and advertise programs of*
12 *community recreation, in the same manner as a recreation and*
13 *park district formed pursuant to the Recreation and Park District*
14 *Law, Chapter 4 (commencing with Section 5780) of Division 5 of*
15 *the Public Resources Code.*

16 *(g) Acquire, construct, improve, maintain, and operate street*
17 *lighting and landscaping on public property, public*
18 *rights-of-way, and public easements.*

19 *(h) Provide for the surveillance, prevention, abatement, and*
20 *control of vectors and vectorborne diseases in the same manner*
21 *as a mosquito abatement and vector control district formed*
22 *pursuant to the Mosquito Abatement and Vector Control District*
23 *Law, Chapter 1 (commencing with Section 2000) of Division 3 of*
24 *the Health and Safety Code.*

25 *(i) Provide police protection and law enforcement services by*
26 *establishing and operating a police department that employs*
27 *peace officers pursuant to Chapter 4.5 (commencing with Section*
28 *830) of Title 3 of Part 2 of the Penal Code.*

29 *(j) Provide security services, including, but not limited to,*
30 *burglar and fire alarm services, to protect lives and property.*

31 *(k) Provide library services, in the same manner as a library*
32 *district formed pursuant to either Chapter 8 (commencing with*
33 *Section 19400) or Chapter 9 (commencing with Section 19600)*
34 *of Part 11 of the Education Code.*

35 *(l) Acquire, construct, improve, and maintain streets, bridges,*
36 *culverts, drains, curbs, gutters, sidewalks, and any incidental*
37 *works. A district shall not acquire, construct, improve, or*
38 *maintain any work owned by another public agency unless that*
39 *other public agency gives its written consent.*

1 (m) Convert existing overhead electric and communications
2 facilities, with the consent of the public agency or public utility
3 that owns the facilities, to underground locations pursuant to
4 Chapter 28 (commencing with Section 5896.1) of Part 3 of
5 Division 7 of the Streets and Highways Code.

6 (n) Provide emergency medical services pursuant to the
7 Emergency Medical Services System and the Prehospital
8 Emergency Medical Care Personnel Act, Division 2.5
9 (commencing with Section 1797) of the Health and Safety Code.

10 (o) Provide and maintain public airports and landing places
11 for aerial traffic, in the same manner as an airport district
12 formed pursuant to the California Airport District Act, Part 2
13 (commencing with Section 22001) of Division 9 of the Public
14 Utilities Code.

15 (p) Provide transportation services.

16 (q) Abate graffiti.

17 (r) Plan, design, construct, improve, maintain, and operate
18 flood protection facilities. A district shall not plan, design,
19 construct, improve, maintain, or operate flood protection
20 facilities within the boundaries of another special district that
21 provides those facilities unless the other special district gives its
22 written consent. A district shall not plan, design, construct,
23 improve, maintain, or operate flood protection facilities in
24 unincorporated territory unless the board of supervisors gives its
25 written consent. A district shall not plan, design, construct,
26 improve, maintain, or operate flood protection facilities within a
27 city unless the city council gives its written consent.

28 (s) Acquire, construct, improve, maintain, and operate
29 community facilities, including, but not limited to, community
30 centers, libraries, theaters, museums, cultural facilities, and
31 child care facilities.

32 (t) Abate weeds and rubbish pursuant to Part 5 (commencing
33 Section 14875) of the Health and Safety Code. For that purpose,
34 the board of directors shall be deemed to be a “board of
35 supervisors” and district employees shall be deemed to be the
36 “persons” designated by Section 14890 of the Health and Safety
37 Code.

38 (u) Acquire, construct, improve, maintain, and operate
39 hydroelectric power generating facilities and transmission lines,
40 consistent with the district’s water supply and waste water

1 *operations. The power generated shall be used for district*
2 *purposes, or sold to a public utility or another public agency that*
3 *generates, uses, or sells electrical power. A district shall not*
4 *acquire hydroelectric power generating facilities unless the*
5 *facilities' owner agrees.*

6 *(v) Acquire, construct, improve, maintain, and operate*
7 *telecommunications facilities and provide telecommunication*
8 *services, including, but not limited to, telephone, television, cable*
9 *television, data transfer, Internet, and wireless facilities and*
10 *services.*

11 *(w) Acquire, construct, improve, maintain, and operate*
12 *television translator facilities.*

13 *(x) Remove snow from public roads, easements, and*
14 *rights-of-way. A district may remove snow from public roads,*
15 *easements, and rights-of-way owned by another public agency,*
16 *only with the written consent of that other public agency.*

17 *(y) Provide animal control services pursuant to Section 30501*
18 *of the Food and Agricultural Code. Whenever the term "board of*
19 *supervisors," "county," "county clerk," or "animal control*
20 *officer" is used in Division 14 (commencing with Section 30501)*
21 *of the Food and Agricultural Code, those terms shall also be*
22 *deemed to include the board of directors of a district, a district,*
23 *the general manager of the district, or the animal control officer*
24 *of a district, respectively. A district shall not provide animal*
25 *control services in unincorporated territory unless the county*
26 *board of supervisors gives its written consent. A district shall not*
27 *provide animal control services within a city unless the city*
28 *council gives its written consent.*

29 *(z) Control, abate, and eradicate pests, in the same manner as*
30 *a pest abatement district, formed pursuant to Chapter 8*
31 *(commencing with Section 2800) of Division 3 of the Health and*
32 *Safety Code. A district's program to control, abate, or eradicate*
33 *local pine bark beetle infestations shall be consistent with any*
34 *required plan or program approved by the Department of*
35 *Forestry and Fire Protection.*

36 *(aa) Construct, maintain, and operate mailboxes on a*
37 *district's property or right-of-way.*

38 *(bb) Provide mail delivery service under contract to the*
39 *United States Postal Service.*

1 (cc) Own, operate, improve, and maintain cemeteries and
2 provide interment services, in the same manner as a public
3 cemetery district, formed pursuant to the Public Cemetery
4 District Law, Part 4 (commencing with Section 9000) of Division
5 8 of the Health and Safety Code.

6 (dd) Finance the operations of area planning commissions
7 formed pursuant to Section 65101.

8 (ee) Finance the operations of municipal advisory councils
9 formed pursuant to Section 31010.

10 (ff) Acquire, own, improve, maintain, and operate land within
11 or without the district for habitat mitigation or other
12 environmental protection purposes to mitigate the effects of
13 projects undertaken by the district.

14 61101. A district may provide the facilities and services
15 authorized by Section 61100 outside its boundaries, subject to
16 Section 56133.

17 61102. A district may provide electricity within its boundaries
18 if the local agency formation commission designated the district
19 as the successor to another special district that was extinguished
20 as the result of any change of organization or reorganization,
21 and that other special district had provided electricity pursuant
22 to the principal act under which that other special district had
23 operated.

24 61103. (a) A district that acquires, constructs, improves, and
25 maintains streets, bridges, culverts, drains, curbs, gutters,
26 sidewalks, and any incidental works pursuant to subdivision (l)
27 of Section 61100 shall have the powers, duties, and authority of
28 a county for those works, including, but not limited to, the
29 following:

30 (1) Chapter 2 (commencing with Section 940), Chapter 5.5
31 (commencing with Section 1450), and Chapter 6 (commencing
32 with Section 1480) of Division 2 of the Streets and Highways
33 Code.

34 (2) Part 3 (commencing with Section 8300) of the Streets and
35 Highways Code.

36 (3) Division 11 (commencing with Section 21000) of the
37 Vehicle Code.

38 (4) Article 4 (commencing with Section 35700) of Chapter 5 of
39 Division 15 of the Vehicle Code.

1 ***(b) A district shall not exercise those powers, duties, and***
2 ***authority for any of those works if it is owned by another public***
3 ***agency unless that other public agency gives its written consent.***

4 61104. ***(a) A district that acquires, constructs, improves, and***
5 ***maintains streets, bridges, culverts, drains, curbs, gutters,***
6 ***sidewalks, and any incidental work pursuant to subdivision (l) of***
7 ***Section 61100 may grant franchises pursuant to any of the***
8 ***following:***

9 ***(1) Section 53066.***

10 ***(2) Chapter 6 (commencing with Section 49500) of Part 8 of***
11 ***Division 30 of the Public Resources Code.***

12 ***(3) Division 3 (commencing with Section 6001) of the Public***
13 ***Utilities Code.***

14 ***(b) A district shall not grant a franchise over any of those***
15 ***works that are owned by another public agency unless the other***
16 ***public agency gives its consent.***

17 61105. ***(a) The Legislature finds and declares that the unique***
18 ***circumstances that exist in certain communities justify the***
19 ***enactment of special statutes for specific districts. In enacting***
20 ***this section, the Legislature intends to provide specific districts***
21 ***with special statutory powers to provide special services and***
22 ***facilities that are not available to other districts.***

23 ***(b) The Los Osos Community Services District may borrow***
24 ***money from public or private lenders and loan those funds to***
25 ***property owners within the district to pay for the costs of***
26 ***decommissioning septic systems and constructing lateral***
27 ***connections on private property to facilitate the connection of***
28 ***those properties to the district's wastewater treatment system.***
29 ***The district shall lend money for this purpose at rates not to***
30 ***exceed its cost of borrowing and the district's cost of making the***
31 ***loans. The district may require that the borrower pay the***
32 ***district's reasonable attorney's fees and administrative costs in***
33 ***the event that the district is required to take legal action to***
34 ***enforce the provisions of the contract or note securing the loan.***
35 ***The district may elect to have the debt payments or any***
36 ***delinquency collected on the tax roll pursuant to Section 61116.***
37 ***To secure the loan as a lien on real property, the district shall***
38 ***follow the procedures for the creation of special tax liens in***
39 ***Section 53328.3 of this code and Section 3114.5 of the Streets***
40 ***and Highways Code.***

1 (c) *The Heritage Ranch Community Services District may*
2 *acquire, construct, improve, maintain, and operate petroleum*
3 *storage tanks and related facilities for its own use, and sell those*
4 *petroleum products to the district's property owners, residents,*
5 *and visitors. The authority granted by this subdivision shall*
6 *expire when a private person or entity is ready, willing, and able*
7 *to acquire, construct, improve, maintain, and operate petroleum*
8 *storage tanks and related facilities, and sell those petroleum*
9 *products to the district and its property owners, residents, and*
10 *visitors. At that time, the district shall either (1) diligently*
11 *transfer its title, ownership, maintenance, control, and operation*
12 *of those petroleum tanks and related facilities at a fair market*
13 *value to that private person or entity, or (2) lease the operation*
14 *of those petroleum tanks and related facilities at a fair market*
15 *value to that private person or entity.*

16 (d) *The Wallace Community Services District may acquire,*
17 *own, maintain, control, or operate the underground gas*
18 *distribution pipeline system located and to be located within*
19 *Wallace Lake Estates for the purpose of allowing a privately*
20 *owned provider of liquefied petroleum gas to use the*
21 *underground gas distribution system pursuant to a mutual*
22 *agreement between the private provider and the district or the*
23 *district's predecessor in interest. The district shall require and*
24 *receive payment from the private provider for the use of that*
25 *system. The authority granted by this subdivision shall expire*
26 *when the Pacific Gas and Electric Company is ready, willing,*
27 *and able to provide natural gas service to the residents of*
28 *Wallace Lake Estates. At that time, the district shall diligently*
29 *transfer its title, ownership, maintenance, control, and operation*
30 *of the system to the Pacific Gas and Electric Company.*

31 (e) *The Cameron Park Community Services District, the El*
32 *Dorado Hills Community Services District, the Golden Hills*
33 *Community Services District, the Mountain House Community*
34 *Services District, the Rancho Murieta Community Services*
35 *District, the Salton Community Services District, the Stallion*
36 *Springs Community Services District, and the Tenaja Meadows*
37 *Community Services District, which enforced covenants,*
38 *conditions, and restrictions prior to January 1, 2006, pursuant to*
39 *the former Section 61601.7 and former Section 61601.10, may*
40 *continue to enforce those covenants, conditions, and restrictions.*

(f) *The Bear Valley Community Services District, the Bell Canyon Community Services District, the Cameron Estates Community Services District, the Lake Sherwood Community Services District, the Saddle Creek Community Services District, and the Wallace Community Services District may, for roads owned by the district and that are not formally dedicated to or kept open for use by the public for the purpose of vehicular travel, by ordinance, limit access to and the use of those roads to the landowners and residents of that district.*

(g) *Notwithstanding any other provision of law, the transfer of the assets of the Stonehouse Mutual Water Company, including its lands, easements, rights, and obligations to act as sole agent of the stockholders in exercising the riparian rights of the stockholders, and rights relating to the ownership, operation, and maintenance of those facilities serving the customers of the company, to the Hidden Valley Community Services District is not a transfer subject to taxes imposed by Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.*

61106. (a) *If a board of directors desires to exercise a latent power, the district shall first receive the approval of the local agency formation commission, pursuant to Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of Division 3.*

(b) *After receiving the approval of the local agency formation commission, the board of directors may, by ordinance, order the exercise of that power.*

61107. (a) *If a board of directors desires to divest itself of a power that is authorized pursuant to this chapter and if the termination of that power would require another public agency to provide a new or higher level of services or facilities, the district shall first receive the approval of the local agency formation commission. To the extent feasible, the local agency formation commission shall proceed pursuant to Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of Division 3. After receiving the approval of the local agency formation commission, the board of directors may, by ordinance, divest itself of that power.*

(b) *If a board of directors desires to divest itself of a power that is authorized pursuant to this chapter and if the termination*

1 *of that power would not require another public agency to provide*
2 *a new or higher level of services or facilities, the board of*
3 *directors may, by ordinance, divest itself of that power.*

4
5 CHAPTER 2. FINANCE
6

7 61110. (a) *On or before July 1 of each year, the board of*
8 *directors may adopt a preliminary budget that conforms to*
9 *generally accepted accounting and budgeting procedures for*
10 *special districts.*

11 (b) *The board of directors may divide the preliminary budget*
12 *into categories, including, but not limited to, the following:*

13 (1) *Maintenance and operation.*

14 (2) *Services and supplies.*

15 (3) *Employee compensation.*

16 (4) *Capital outlay.*

17 (5) *Interest and redemption for indebtedness.*

18 (6) *Designated reserve for capital outlay.*

19 (7) *Designated reserve for contingencies.*

20 (c) *On or before July 1 of each year, the board of directors*
21 *shall publish a notice stating all of the following:*

22 (1) *Either that it has adopted a preliminary budget or that the*
23 *general manager has prepared a proposed final budget which is*
24 *available for inspection at a time and place within the district*
25 *specified in the notice.*

26 (2) *The date, time, and place when the board of directors will*
27 *meet to adopt the final budget and that any person may appear*
28 *and be heard regarding any item in the budget or regarding the*
29 *addition of other items.*

30 (d) *The board of directors shall publish the notice at least two*
31 *weeks before the hearing in at least one newspaper of general*
32 *circulation in the district pursuant to Section 6061.*

33 (e) *At the time and place specified for the hearing, any person*
34 *may appear and be heard regarding any item in the budget or*
35 *regarding the addition of other items. The hearing on the budget*
36 *may be continued from time to time.*

37 (f) *On or before September 1, the board of directors shall*
38 *adopt a final budget that conforms to generally accepted*
39 *accounting and budgeting procedures for special districts. The*

1 *general manager shall forward a copy of the final budget to the*
2 *auditor of each county in which the district is located.*

3 *61111. (a) At any regular meeting or properly noticed*
4 *special meeting after the adoption of its final budget, the board*
5 *of directors may adopt a resolution amending the budget and*
6 *ordering the transfer of funds between categories, other than*
7 *transfers from the designated reserve for capital outlay and the*
8 *designated reserve for contingencies.*

9 *(b) The board of directors may authorize the general manager*
10 *to transfer funds between budget categories, other than transfers*
11 *from the designated reserve for capital outlay and the designated*
12 *reserve for contingencies.*

13 *61112. (a) In its annual budget, the board of directors may*
14 *establish a designated reserve for capital outlay and a*
15 *designated reserve for contingencies. When the board of*
16 *directors establishes a designated reserve, it shall declare the*
17 *exclusive purposes for which the funds in the reserve may be*
18 *spent. The funds in the designated reserve shall be spent only for*
19 *the exclusive purposes for which the board of directors*
20 *established the designated reserve. The reserves shall be*
21 *maintained according to generally accepted accounting*
22 *principles.*

23 *(b) Any time after the establishment of a designated reserve,*
24 *the board of directors may transfer any funds to that designated*
25 *reserve.*

26 *(c) If the board of directors finds that the funds in a designated*
27 *reserve are no longer required for the purpose for which it*
28 *established the designated reserve, the board of directors may,*
29 *by a four-fifths vote of the total membership of the board of*
30 *directors, discontinue the designated reserve or transfer any*
31 *funds that are no longer required from the designated reserve to*
32 *the district's general fund.*

33 *(d) Notwithstanding any other provision of this section, in a*
34 *state of emergency or in a local emergency, as defined in Section*
35 *8558, a board of directors may temporarily transfer funds from*
36 *the designated reserve for capital outlay or the designated*
37 *reserve for contingencies to the district's general fund. The*
38 *board of directors shall restore these funds to the designated*
39 *reserves when feasible.*

1 (e) *The board of directors of each district that has designated*
2 *an alternative depository pursuant to Section 61053 and*
3 *appointed a district treasurer shall adopt and annually review a*
4 *policy for the management of reserves.*

5 61113. (a) *On or before July 1 of each year, the board of*
6 *directors shall adopt a resolution establishing its appropriations*
7 *limit, if any, and make other necessary determinations for the*
8 *following fiscal year pursuant to Article XIII B of the California*
9 *Constitution and Division 9 (commencing with Section 7900).*

10 (b) *Pursuant to subdivision (c) of Section 9 of Article XIII B of*
11 *the California Constitution, this section shall not apply to a*
12 *district which existed on January 1, 1978, and which did not as*
13 *of the 1977-78 fiscal year levy an ad valorem tax on property in*
14 *excess of 12½ cents per one hundred dollars (\$100) of assessed*
15 *value.*

16 (c) *This section shall not apply to any district that has*
17 *previously transferred services and all of the property tax*
18 *revenue allocation associated with those services to another*
19 *local agency.*

20 61114. *The auditor of each county in which a district is*
21 *located shall allocate to the district its share of property tax*
22 *revenue pursuant to Chapter 6 (commencing with Section 95) of*
23 *Part 0.5 of Division 1 of the Revenue and Taxation Code.*

24 61115. (a) *The board of directors may, by resolution or*
25 *ordinance, do the following:*

26 (1) *Establish rates, fees, and other charges for services that*
27 *the district provides.*

28 (2) *Provide for the collection and enforcement of those rates,*
29 *fees, and other charges.*

30 (3) *Among the permissible methods for collection and*
31 *enforcement are:*

32 (A) *To provide that the charges for any of these services may*
33 *be collected with the rates or charges for any other services*
34 *provided by the district, and that all charges may be billed on the*
35 *same bill and collected as one item.*

36 (B) *To provide that if all or part of a bill is not paid, the*
37 *district may discontinue any or all services.*

38 (C) *To provide for a basic penalty for the nonpayment of*
39 *charges of not more than 10 percent, plus an additional penalty*
40 *of not more than 1 percent per month for the nonpayment of the*

1 charges and the basic penalty. The board of directors may
2 provide for the collection of these penalties.

3 (b) The board of directors may provide that any charges and
4 penalties may be collected on the tax roll in the same manner as
5 property taxes. The general manager shall prepare and file with
6 the board of directors a report that describes each affected
7 parcel of real property and the amount of charges and
8 delinquencies for each affected parcel for the year. The general
9 manager shall give notice of the filing of the report and of the
10 time and place for a public hearing by publishing the notice
11 pursuant to Section 6066 in a newspaper of general circulation,
12 and by mailing the notice to the owner of each affected parcel. At
13 the public hearing, the board of directors shall hear and consider
14 any objections or protests to the report. At the conclusion of the
15 public hearing, the board of directors may adopt or revise the
16 charges and penalties. The board of directors shall make its
17 determination on each affected parcel and its determinations
18 shall be final. On or before August 10 of each year following
19 these determinations, the general manager shall file with the
20 county auditor a copy of the final report adopted by the board of
21 directors. The county auditor shall enter the amount of the
22 charges and penalties against each of the affected parcels of real
23 property as they appear on the current assessment roll. The
24 county tax collector shall include the amount of the charges and
25 penalties on the tax bills for each affected parcel of real property
26 and collect the charges and penalties in the same manner as
27 property taxes.

28 (c) The board of directors may recover any charges and
29 penalties by recording in the office of the county recorder of the
30 county in which the affected parcel is located, a certificate
31 declaring the amount of the charges and penalties due, the name
32 and last known address of the person liable for those charges
33 and penalties. From the time of recordation of the certificate, the
34 amount of the charges and penalties constitutes a lien against all
35 real property of the delinquent property owner in that county.
36 This lien shall have the force, effect, and priority of a judgment
37 lien. Within 30 days of receipt of payment for all amounts due,
38 including the recordation fees paid by the district, the district
39 shall record a release of the lien. In filing any instrument for
40 recordation, the district shall pay the fees required by Article 5

1 *(commencing with Section 27360) of Chapter 6 of Part 3 of Title*
2 *3.*

3 *(d) A district shall reimburse the county for the reasonable*
4 *expenses incurred by the county pursuant to this section.*

5 *(e) Any remedies for the collection and enforcement of rates,*
6 *fees, and other charges are cumulative and the district may*
7 *pursue remedies alternatively or consecutively.*

8 *61116. (a) A district may accept any revenue money, grants,*
9 *goods, or services from any federal, state, regional, or local*
10 *agency or from any person for any lawful purpose of the district.*

11 *(b) In addition to any other existing authority, a district may*
12 *borrow money and incur indebtedness pursuant to Article 7*
13 *(commencing with Section 53820), Article 7.5 (commencing with*
14 *Section 53840), Article 7.6 (commencing with Section 53850),*
15 *and Article 7.7 (commencing with Section 53859) of Chapter 4 of*
16 *Part 1 of Division 2 of Title 5.*

17 *61117. The board of directors may establish a revolving fund*
18 *pursuant to Article 15 (commencing with Section 53950) of*
19 *Chapter 4 of Part 1 of Division 2 of Title 5.*

20 *61118. (a) The board of directors shall provide for regular*
21 *audits of the district's accounts and records pursuant to Section*
22 *26909.*

23 *(b) The board of directors shall provide for the annual*
24 *financial reports to the Controller pursuant to Article 9*
25 *(commencing with Section 53890) of Chapter 4 of Part 1 of*
26 *Division 2 of Title 5.*

27 *61119. All claims for money or damages against a district are*
28 *governed by Part 3 (commencing with Section 900) and Part 4*
29 *(commencing with Section 940) of Division 3.6 of Title 1.*

30
31 *CHAPTER 3. ALTERNATIVE REVENUES*
32

33 *61120. Whenever the board of directors determines that the*
34 *amount of revenue available to the district or any of its zones is*
35 *inadequate to meet the costs of operating and maintaining the*
36 *facilities, programs, and services authorized by this division, the*
37 *board of directors may raise revenues pursuant to this chapter or*
38 *any other provision of law.*

39 *61121. A district may levy special taxes pursuant to:*

(a) Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property.

(b) The Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.

61122. A district may levy benefit assessments for operations and maintenance consistent with the requirements of Article XIII D of the California Constitution, including, but not limited to, benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code.

(b) The Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code.

(c) The Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the Streets and Highways Code.

(d) The Landscaping and Lighting Assessment Act of 1972, Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code, notwithstanding Section 22501 of the Streets and Highways Code.

(e) Any other statutory authorization enacted on or after January 1, 2006.

61123. (a) A board of directors may charge a fee to cover the cost of any service which the district provides or the cost of enforcing any regulation for which the fee is charged. No fee shall exceed the costs reasonably borne by the district in providing the service or enforcing the regulation for which the fee is charged.

(b) Before imposing or increasing any fee for property-related services, a board of directors shall follow the procedures in Section 6 of Article XIII D of the California Constitution.

(c) A board of directors may charge residents or taxpayers of the district a fee authorized by this section that is less than the fee which it charges nonresidents or nontaxpayers.

(d) A board of directors may authorize district employees to waive the payment, in whole or in part, of a fee authorized by this

1 *section when the board of directors determines that payment*
2 *would not be in the public interest. Before authorizing any*
3 *waiver, a board of directors shall adopt a resolution that*
4 *specifies the policies and procedures governing waivers.*

5 *61124. (a) A district may charge standby charges for water,*
6 *sewer, or water and sewer services pursuant to the Uniform*
7 *Standby Charge Procedures Act, Chapter 12.4 (commencing with*
8 *Section 54984) of Part 1 of Division 2 of Title 5.*

9 *(b) A standby charge charged by a district pursuant to the*
10 *former Chapter 1 (commencing with Section 61750) of the*
11 *former Part 6 of the former Division 1 shall be exempt from*
12 *subdivision (a), provided that any subsequent increases shall be*
13 *subject to subdivision (a).*

14
15 *CHAPTER 4. CAPITAL FINANCING*
16

17 *61125. Whenever the board of directors determines that the*
18 *amount of revenue available to the district or any of its zones is*
19 *inadequate to acquire, construct, improve, rehabilitate, or*
20 *replace the facilities authorized by this division, or for funding or*
21 *refunding any outstanding indebtedness, the board of directors*
22 *may incur debt and raise revenues pursuant to this chapter or*
23 *any other provision of law.*

24 *61126. (a) Whenever a board of directors determines that it*
25 *is necessary to incur a general obligation bond indebtedness for*
26 *the acquisition or improvement of real property, the board of*
27 *directors may proceed pursuant to Article 11 (commencing with*
28 *Section 5790) of Chapter 4 of Division 5 of the Public Resources*
29 *Code.*

30 *(b) Notwithstanding subdivision (a), a district shall not incur*
31 *bonded indebtedness pursuant to this section that exceeds 15*
32 *percent of the assessed value of all taxable property in the*
33 *district at the time that the bonds are issued.*

34 *61127. A board of directors may finance any enterprise and*
35 *issue revenue bonds pursuant to the Revenue Bond Law of 1941,*
36 *Chapter 6 (commencing with Section 54300) of Part 1 of*
37 *Division 2 of Title 5.*

38 *61128. A district may finance facilities and issue bonds*
39 *pursuant to the Mello-Roos Community Facilities Act of 1982,*

1 Chapter 2.5 (commencing with Section 53311) of Part 1 of
2 Division 2 of Title 5.

3 61129. A district may levy benefit assessments to finance
4 facilities consistent with the requirements of Article XIII D of the
5 California Constitution, including, but not limited to, benefit
6 assessments levied pursuant to any of the following:

7 (a) The Improvement Act of 1911, Division 7 (commencing
8 with Section 5000) of the Streets and Highways Code.

9 (b) The Improvement Bond Act of 1915, Division 10
10 (commencing with Section 8500) of the Streets and Highways
11 Code.

12 (c) The Municipal Improvement Act of 1913, Division 12
13 (commencing with Section 10000) of the Streets and Highways
14 Code.

15 (d) The Landscaping and Lighting Assessment Act of 1972,
16 Part 2 (commencing with Section 22500) of Division 15 of the
17 Streets and Highways Code, notwithstanding Section 22501 of
18 the Streets and Highways Code.

19 (e) Any other statutory authorization enacted on or after
20 January 1, 2006.

21 61130. A district may acquire and improve land, facilities, or
22 equipment and issue securitized limited obligation notes pursuant
23 to Article 7.4 (commencing with Section 53835) of Chapter 4 of
24 Part 1 of Division 2 of Title 5.

25 61131. (a) A district may issue promissory notes to borrow
26 money and incur indebtedness for any lawful purpose, including,
27 but not limited to, the payment of current expenses, pursuant to
28 this section.

29 (b) The total amount of indebtedness incurred pursuant to this
30 section outstanding at any one time shall not exceed 5 percent of
31 the district's total enterprise and nonenterprise revenues in the
32 preceding fiscal year. Any indebtedness incurred pursuant to this
33 section shall be repaid within five years from the date on which it
34 is incurred. Any indebtedness incurred pursuant to this section
35 shall bear interest at a rate which shall not exceed the rate
36 permitted under Article 7 (commencing with Section 53530) of
37 Chapter 3 of Part 1 of Division 2 of Title 5.

38 (c) Each indebtedness incurred pursuant to this section shall
39 be authorized by resolution adopted by a four-fifths vote of the
40 total membership of the board of directors and shall be

1 *evidenced by a promissory note signed by the president of the*
2 *board of directors and the general manager.*

3
4 CHAPTER 5. ZONES

5
6 61140. (a) *Whenever a board of directors determines that it is*
7 *in the public interest to provide different services, provide*
8 *different levels of service, provide different facilities, or raise*
9 *additional revenues within specific areas of the district, it may*
10 *form one or more zones pursuant to this chapter.*

11 (b) *The board of directors shall initiate proceedings for the*
12 *formation of a new zone by adopting a resolution that does all of*
13 *the following:*

14 (1) *States that the proposal is made pursuant to this chapter.*

15 (2) *Sets forth a description of the boundaries of the territory to*
16 *be included in the zone.*

17 (3) *States the reasons for forming the zone.*

18 (4) *States the different services, different levels of service,*
19 *different facilities, or additional revenues that the zone will*
20 *provide.*

21 (5) *Sets forth the methods by which those services, levels of*
22 *service, or facilities will be financed.*

23 (6) *Proposes a name or number for the zone.*

24 (c) *A proposal to form a new zone may also be initiated by a*
25 *petition signed by not less than 10 percent of the registered*
26 *voters residing within the proposed zone. The petition shall*
27 *contain all of the matters required by subdivision (b).*

28 (d) *Upon the adoption of a resolution or the receipt of a valid*
29 *petition, the board of directors shall fix the date, time, and place*
30 *for the public hearing on the formation of the zone. The board of*
31 *directors shall publish notice of the hearing, including the*
32 *information required by subdivision (b), pursuant to Section*
33 *6061 in one or more newspapers of general circulation in the*
34 *district. The board of directors shall mail the notice at least 20*
35 *days before the date of the hearing to all owners of property*
36 *within the proposed zone. The board of directors shall post the*
37 *notice in at least three public places within the territory of the*
38 *proposed zone.*

39 61141. (a) *At the hearing, the board of directors shall hear*
40 *and consider any protests to the formation of the zone. If, at the*

1 conclusion of the hearing, the board of directors determines
2 either that more than 50 percent of the total number of voters
3 residing within the proposed zone have filed written objections to
4 the formation, or that property owners who own more than 50
5 percent of the assessed value of all taxable property in the
6 proposed zone have filed written objections to the formation,
7 then the board of directors shall terminate the proceedings. If the
8 board of directors determines that the written objections have
9 been filed by 50 percent or less of those voters or property
10 owners who own 50 percent or less than the assessed value of all
11 taxable property, then the board of directors may proceed to
12 form the zone.

13 (b) If the resolution or petition proposes that the zone use
14 special taxes, benefit assessments, fees, standby charges, bonds,
15 or notes to finance its purposes, the board of directors shall
16 proceed according to law. If the voters or property owners do not
17 approve those funding methods, the zone shall not be formed.

18 61142. A board of directors may change the boundaries of a
19 zone or dissolve a zone by following the procedures in Sections
20 61140 and 61141.

21 61143. A local agency formation commission shall have no
22 power or duty to review and approve or disapprove a proposal to
23 form a zone, a proposal to change the boundaries of a zone, or a
24 proposal to dissolve a zone.

25 61144. (a) As determined by the board of directors, a district
26 may provide any service, any level of service, or any facility
27 within a zone that the district may provide in the district as a
28 whole.

29 (b) As determined by the board of directors and pursuant to
30 the requirements of this division, a district may exercise any
31 fiscal powers within a zone that the district may exercise in the
32 district as a whole.

33 (c) Any special taxes, benefit assessments, rates, fees, charges,
34 standby charges, bonds, or notes which are intended solely for
35 the support of services or facilities within a zone, shall be levied,
36 assessed, and charged within the boundaries of the zone.

37 (d) A district shall not incur a general obligation bonded
38 indebtedness for the benefit of a zone pursuant to this section that
39 exceeds 5 percent of the assessed value of all taxable property in
40 the zone at the time that the bonds are issued. In computing this

1 limit, the 5 percent shall include any other general obligation
2 bonded indebtedness applicable to that zone.

3 (e) A district shall not issue promissory notes for the benefit of
4 a zone pursuant to Section 61131 that exceed 5 percent of the
5 zone's total enterprise and nonenterprise revenues in the
6 preceding fiscal year. In computing this limit, the 5 percent shall
7 include any other promissory notes applicable to that zone.

8 SEC. 4. Section 20682 of the Public Contract Code is
9 repealed.

10 ~~20682. A district may perform any work of construction or~~
11 ~~operation under its own superintendence or may contract for the~~
12 ~~performance of such work by others.~~

13 SEC. 5. Section 20682 is added to the Public Contract Code,
14 to read:

15 20682. (a) A district may purchase materials and supplies
16 for the construction or completion of any building, structure, or
17 improvements in the open market when the cost does not exceed
18 twenty-five thousand dollars (\$25,000).

19 (b) Contracts for materials and supplies for the construction
20 or completion of any building, structure, or improvement, when
21 the cost exceeds twenty-five thousand dollars (\$25,000), shall be
22 contracted for and let to the lowest responsible bidder after
23 notice. If two or more bids are the same and the lowest, the
24 district board may accept the one it chooses.

25 (c) The district shall publish a notice inviting bids for any
26 contract for which competitive bidding is required at least one
27 time in a newspaper of general circulation in the district at least
28 one week before the time specified for receiving bids. The notice
29 inviting bids shall set a date for opening the bids and distinctly
30 state the materials and supplies to be purchased.

31 (d) If the general manager recommends and the board of
32 directors determines, that the publication of advertisements of
33 the notice in trade journals and papers in lieu of publication
34 pursuant to subdivision (c) will increase the number of business
35 enterprises receiving that notice, the board of directors may by
36 resolution declare that the notice shall be published in trade
37 journals and papers at least 10 days prior to the time specified
38 for receiving bids.

39 (e) At its discretion, the board of directors may reject any bids
40 presented and readvertise.

1 (f) *In the case of an emergency, the board of directors may act*
2 *pursuant to Chapter 2.5 (commencing with Section 22050).*

3 (g) *As an alternate to the procedures required by this section,*
4 *a district may rely on the Uniform Public Construction Cost*
5 *Accounting Act, Chapter 2 (commencing with Section 22000) of*
6 *Part 3 of Division 2.*

7 SEC. 6. *Section 20682.5 is added to the Public Contract*
8 *Code, to read:*

9 20682.5. (a) *A district may construct or complete any*
10 *building, structure, or improvement with its own forces or by*
11 *contract without bidding when the cost does not exceed*
12 *twenty-five thousand dollars (\$25,000).*

13 (b) *All contracts for the construction or completion of any*
14 *building, structure, or improvement, when the cost exceeds*
15 *twenty-five thousand dollars (\$25,000), shall be contracted for*
16 *and let to the lowest responsible bidder after notice. If two or*
17 *more bids are the same and the lowest, the district board may*
18 *accept the one it chooses.*

19 (c) *The district shall publish a notice inviting bids for any*
20 *contract for which competitive bidding is required at least one*
21 *time in a newspaper of general circulation in the district at least*
22 *10 days before the time specified for receiving bids. The notice*
23 *inviting bids shall set a date for opening the bids and distinctly*
24 *state the work to be done.*

25 (d) *If the general manager recommends and the board of*
26 *directors determines, that the publication of advertisements of*
27 *the notice in trade journals and papers in lieu of publication*
28 *pursuant to subdivision (c) will increase the number of business*
29 *enterprises receiving that notice, the board of directors may by*
30 *resolution declare that the notice shall be published in trade*
31 *journals and papers at least 10 days prior to the time specified*
32 *for receiving bids.*

33 (e) *If plans and specifications are prepared describing the*
34 *work, all bidders shall be afforded an opportunity to examine the*
35 *plans and specifications, and the plans and specifications shall*
36 *be attached to and become part of the contract, if one is*
37 *awarded.*

38 (f) *At its discretion, the board of directors may reject any bids*
39 *presented and readvertise.*

1 (g) In the case of an emergency, the board of directors may
2 act pursuant to Chapter 2.5 (commencing with Section 22050).

3 (h) The board of directors may, subject to Chapter 7
4 (commencing with Section 3247) of Title 15 of Part 4 of Division
5 3 of the Civil Code, require the posting of those bonds it deems
6 desirable as a condition to the filing of a bid or the letting of a
7 contract.

8 (i) The district shall keep cost records of the work in the
9 manner provided in Chapter 1 (commencing with Section 4000)
10 of Division 5 of Title 1 of the Government Code.

11 (j) As an alternate to the procedures required by this section,
12 a district may rely on the Uniform Public Construction Cost
13 Accounting Act, Chapter 2 (commencing with Section 22000) of
14 Part 3 of Division 2.

15 SEC. 7. Section 20685 of the Public Contract Code is
16 repealed.

17 20685. (a) ~~All contracts for the construction of any unit of~~
18 ~~work, except as provided in this article, estimated to cost in~~
19 ~~excess of fifteen thousand dollars (\$15,000), shall be let to the~~
20 ~~lowest bidder after competitive bidding. The board shall have the~~
21 ~~right to reject any bid, in which case the board may call for new~~
22 ~~bids.~~

23 (b) ~~In the event no proposals are received, or where the~~
24 ~~estimated cost of the work does not exceed the sum of ten~~
25 ~~thousand dollars (\$10,000), or where the work consists of~~
26 ~~emergency work, the board of directors may have that work done~~
27 ~~by force account. In the case of an emergency, if notice for bids~~
28 ~~to let contracts will not be given, the board shall comply with~~
29 ~~Chapter 2.5 (commencing with Section 22050).~~

30 (c) ~~The district shall have the power to purchase, in the open~~
31 ~~market without calling for bids, materials and supplies for use in~~
32 ~~the work either under contract or by force account. However,~~
33 ~~materials and supplies for use in any new construction work or~~
34 ~~improvement, except work referred to in subdivision (b), may not~~
35 ~~be purchased if the cost exceeds fifteen thousand dollars~~
36 ~~(\$15,000), without calling for bids and awarding the contract to~~
37 ~~the lowest responsible bidder.~~

38 SEC. 8. Section 20685.5 of the Public Contract Code is
39 amended and renumbered to read:

1 ~~20685.5.~~

2 20683. All bids for construction work shall be presented
3 under sealed cover and shall be accompanied by one of the
4 following forms of bidder's security:

5 (a) Cash.

6 (b) A cashier's check made payable to the district.

7 (c) A certified check made payable to the district.

8 (d) A bidder's bond executed by an admitted surety insurer,
9 made payable to the district.

10 Upon an award to the lowest bidder, the security of an
11 unsuccessful bidder shall be returned in a reasonable period of
12 time, but in no event shall that security be held by the district
13 beyond 60 days from the time the award is made.

14 *SEC. 9. This act is based on the recommendations of the*
15 *Working Group on Revising the Community Services District*
16 *Law, convened by the Senate Committee on Local Government.*

17 *SEC. 10. No reimbursement is required by this act pursuant*
18 *to Section 6 of Article XIII B of the California Constitution*
19 *because the only costs that may be incurred by a local agency or*
20 *school district will be incurred because this act creates a new*
21 *crime or infraction, eliminates a crime or infraction, or changes*
22 *the penalty for a crime or infraction, within the meaning of*
23 *Section 17556 of the Government Code, or changes the definition*
24 *of a crime within the meaning of Section 6 of Article XIII B of the*
25 *California Constitution.*